
**Technology, Energy & Communications
Committee**

HB 2869

Brief Description: Providing incentives for hydrokinetic energy.

Sponsors: Representatives McCoy and Wallace.

Brief Summary of Bill

- Expands the renewable energy Cost-recovery Incentive Payment Program to include hydrokinetic energy projects.

Hearing Date: 1/27/10

Staff: Kara Durbin (786-7133).

Background:

Hydrokinetic Energy Projects.

Hydrokinetic energy projects are projects that generate electricity from waves or directly from the flow of water in ocean currents, tides, or inland waterways. Developers of hydrokinetic energy projects must secure a license from the Federal Energy Regulatory Commission (FERC). The FERC has three licensing processes for long-term projects of 30 to 50 years. Developers interested in pursuing a short-term license to test new technologies may participate in a pilot project licensing process offered through the FERC.

Renewable Energy Cost Recovery Incentive Payment Program.

In 2005 the Legislature created a Cost-recovery Incentive Payment Program to promote renewable energy systems that produce electricity from solar, wind, or anaerobic digesters. An individual, business, or local government purchasing an eligible system may apply for an incentive payment from the electric utility serving the applicant. The incentive provides at least

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15 cents for each kilowatt-hour of energy produced, with extra incentives for solar generating systems or wind generating systems that use certain components manufactured in Washington. Payments are capped at \$5,000 annually per applicant.

A utility providing incentive payments is allowed a credit against its public utility tax (PUT) for incentives paid, limited to \$100,000 or 1 percent of its taxable power sales, whichever is greater. If the amount of requests for incentive payments exceeds the amount of funds available for PUT credit to the utility, the incentive payments to applicants must be reduced proportionally.

The Cost-recovery Incentive Payment Program expires June 30, 2020.

Summary of Bill:

Individuals, businesses, or local governments that generate electricity from a hydrokinetic energy system manufactured in Washington are eligible to receive an incentive payment for each kilowatt-hour produced. The incentive payment is 15 cents per kilowatt-hour multiplied by a factor of 2.4.

A "hydrokinetic energy system" is defined as a device that generates electricity from waves or directly from the flow of water in ocean currents, tides, inland waterways, nonfish-bearing canals, or irrigation districts, that does not require the impoundment or diversion of water.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.